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DEPARTMENT FOR AF A/S FRAZER, AF/SE NATSIOS AND AF/SPG, NSC  
FOR PITTMAN AND SHORTLEY, DEPARTMENT PLEASE PASS TO USAID  
FOR AFR

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SUBJECT: CPA IMPLEMENTATION - ACCESS TO OIL CONTRACTS  
GRANTED TO SPLM

¶1. (U) Summary: An attorney provided to the Sudan People's Liberation Movement (SPLM) through USG funding was granted permission by the Government of National Unity (GNU) Ministry of Energy and Mines (MEM) to review existing oil contracts (i.e. those that pre-date the Comprehensive Peace Agreement (CPA)), fulfilling one important provision of the CPA. He will issue a report to the SPLM, focusing on the environmental aspects of the contracts, in late June. Members of the SPLM did not take the opportunity to view the contracts themselves. End Summary.

¶2. (U) Under the wealth sharing provisions of the CPA, the Government of Southern Sudan (GOSS) and SPLM are to have access to existing oil contracts, in part to examine them for their social and environmental aspects. As part of the February decrees administered after the SPLM party conference in Yei, the SPLM appointed a committee with responsibility for the process of reviewing these contracts. The committee is comprised of Minister John Luk Jok (GOSS Ministry of Youth, Sports & Culture), Minister Angelina Teny (GNU State Minister of Energy and Mining), Minister Mary Kambo (GOSS Ministry of Gender Issues), Dr. Peter Adwok (SPLM), Dr. Ann Itto (State Minister for GNU Ministry of Agriculture and Forestry), and Governor Taban Deng Gai (Governor of Unity State).

¶3. (U) The SPLM requested the USG to provide funding for a legal expert to perform the review. In early May, Dennis Stickley, an oil contracts expert, arrived in Khartoum. After some delay he was granted access to the contracts on May 21. Under the arrangement worked out with the SPLM and the MEM, Mr. Stickley was required to sign a confidentiality agreement, and was then allowed to review the documents at the MEM, but could not make copies. Stickley said that in his experience this is a common arrangement, but he noted that he did not feel it would preclude relevant communication of his findings to USG officials.

¶4. (U) According to Stickley, once access was granted, the working level officials at the MEM were very cooperative. In addition to the oil contracts, Mr. Stickley requested and was given access to pipeline agreements and environmental impact studies. The Ministry also provided copies of regulations and other publicly available documents. Interestingly, none of the committee members took advantage of the opportunity to view the contracts, leaving Stickley to proceed on his own. Stickley said that Ministry officials seemed to expect that the SPLM committee members would be present during the process and asked Stickley several times about their non-participation. (Comment: These SPLM committee members are not technical experts on oil or contracts related to oil production. End comment.) Mr. Stickley completed a draft report on May 24 and plans to complete a final report before

the end of the June. He will return to Sudan to participate in a June 22 and 23 USG-sponsored conference on oil in in Juba for relevant GOSS ministers, under secretaries, and ministry employees.

¶16. (C) Comment: Despite the urgency and importance the SPLM committee members attach to the review of these pre-CPA, National Congress Party (NCP)-negotiated contracts, they were not correspondingly helpful to Mr. Stickley in gaining access to the necessary documents. It took more than two weeks to get the materials needed without any specific reason given for the delay. However, once Minister Teny made the proper requests it took only a day to gain access. Minister Teny, a MEM official and an otherwise capable SPLM interlocutor, was frequently unable to be reached. Her MEM counterparts repeatedly stressed to Mr. Stickley and poloffs the SPLM's unorthodox and informal approach to this contract review. For its part, the MEM was responsive in providing copies of the contracts as requested, but was predictably slow to assist and, where possible, used bureaucratic stalling tactics to delay progress. Aside from the factual information that will be revealed in Mr. Stickley's report, the process behind its production demonstrated that the SPLM does not always seize the political opportunities that come its way. In addition, the NCP was not concerned enough about the contract review to have prevented it outright, choosing instead to tow the CPA-implementation line. End comment.  
FERNANDEZ